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**U.S. CHARGES HIGH-RANKING UNITED NATIONS OFFICIAL  
WITH MONEY LAUNDERING**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, the Assistant Director in Charge of the New York Field Office of the Federal Bureau of Investigation, announced the unsealing yesterday in Manhattan federal court of a one-count Indictment charging VLADIMIR KUZNETSOV with conspiring to commit money laundering. KUZNETSOV, who has served on the Advisory Committee on Administrative and Budgetary Questions at the United Nations since at least 2000 (and has served as its Chairman since on or about January 1, 2004), was arrested yesterday.

According to the Indictment, from about 2000 through June 2005, KUZNETSOV laundered hundreds of thousands of dollars in criminal proceeds obtained by a co-conspirator ("CC-1"), who served as a procurement officer at the United Nations from at least mid-

1985 through June 2005. As alleged in the Indictment, the monies laundered by KUZNETSOV were the proceeds of a fraudulent scheme perpetrated by CC-1. Specifically, in or about 2000, CC-1 established an off-shore company, Moxycos, Ltd., to facilitate the illicit and secret payment of money to him by, among others, foreign companies seeking to secure contracts to provide goods and services to the United Nations. In return, the Indictment alleges, CC-1 provided these companies with confidential and other information from the United Nations regarding these contracts. From in or about 2000, up to and including in or about June 2005, CC-1 accepted hundreds of thousands of dollars generated by this criminal scheme.

In about early 2000, CC-1 informed KUZNETSOV of the fraudulent scheme, telling KUZNETSOV of CC-1's use of an off-shore company to collect secret payments from foreign companies that were seeking to secure contracts to provide goods and services to the United Nations. Rather than report CC-1's conduct to law enforcement authorities or to the United Nations, KUZNETSOV agreed with CC-1 that CC-1 would transfer a share of the proceeds from this scheme to KUZNETSOV for KUZNETSOV's own benefit.

In about 2000, KUZNETSOV established his own off-shore company, Nikal, Ltd., to facilitate and hide the transfer of criminal proceeds from CC-1's off-shore bank account to KUZNETSOV, it was charged. For this purpose, KUZNETSOV allegedly opened a bank account in the name of Nikal, Ltd. at Antigua Overseas Bank

Limited, the same bank at which CC-1 had previously opened an account for Moxycos, Ltd. Thereafter, from in or about 2000, up to and including about June 2005, CC-1 transferred hundreds of thousands of dollars in criminal proceeds to KUZNETSOV, according to the charges.

The case has been assigned to United States District Judge DEBORAH A. BATTIS. KUZNETSOV is expected to be arraigned in Magistrates Court later today.

Mr. KELLEY praised the investigative efforts of the Federal Bureau of Investigation. In addition, Mr. KELLEY thanked the United Nations Office of Internal Oversight Services for its cooperation, assistance, and efforts in the investigation.

Assistant United States Attorneys EDWARD O'CALLAGHAN, STEPHEN MILLER, MICHAEL FARBIARZ and MICHAEL LEVY are in charge of this prosecution.

The charges in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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